




STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
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DATE: June 22, 2004
CIRCULAR: 1077
TO: Parish/City School Superintendents
Deans, Colleges of Education of Louisiana State University
and Southern University
FROM: Cecil J. Picard 
State Superintendent of Education
SUBJECT: **2004-2005 State Public School Fund – Minimum Foundation
Program (MFP) Equalization Distribution**

The General Appropriations Bill of the 2004 Regular Session of the Louisiana Legislature provides funding for the Minimum Foundation Program (MFP) Formula contained in Senate Concurrent Resolution (SCR) 122 of the 2004 Regular Session of the Louisiana Legislature. The total funding appropriated in House Bill 1 is \$2,611,496,675.

The final implementation cost for the MFP formula per SCR 122, exclusive of mid-year allocations for student growth and local revenue support, is \$2,606,986,739. An appropriated balance of \$4,509,936 is available for mid-year allocations for student growth and local revenue support as per SCR 122.

The following tables are included:

- Table 1: State Level Comparison**
MFP 2003-2004 Budget Letter variables compared to MFP 2004-2005 Budget Letter variables used to calculate the State equalization distribution.
- Table 2: MFP Distribution and Adjustments**
Total MFP distribution less audit adjustments and revised monthly MFP distributions for the 68 Louisiana school systems.
- Table 3: FY 2004-2005 MFP Level 1 Base Per Pupil and Level 2 Local Incentive**
Calculation of the 2004-2005 MFP Level 1 and 2 for the 68 Louisiana school systems.
- Table 3A: FY 2004-2005 Certificated Pay Raise Requirement**
Calculation of the 2004-2005 certificated pay raise requirement.
- Table 4: FY 2004-2005 Level 3 Unequalized Funding**
Continuation of the 2001-2002 pay raise, continuation of the 2002-2003 support worker pay raise, foreign language associates funding and hold harmless funding for the 68 Louisiana school systems.
- Table 5: FY 2004-2005 Allocation for the Lab Schools**
Total MFP distribution less audit adjustments and revised monthly MFP distributions for LSU and SU Lab Schools.
- Table 6: MFP Local Wealth Factor (LWF)**
Calculation of the Local Wealth Factor (LWF) for the 68 Louisiana school systems.
- Table 7: 2002-2003 Local Property and Sales Tax Revenues**
Summary of the Assessed Property Values and Ad Valorem and Sales Tax amounts and rates for the 68 Louisiana school systems.
- Table 8: October 1, 2003 Student Membership**
October 1, 2003 student membership by grade level and the October 1, 2002 adjusted total membership for the 66 Louisiana school systems.

Required Expenditure

A. *Fifty Percent (50%) of Level 1 and 2 Growth Dedicated to Certificated Pay Raise.*

SCR 122 continues the provision that not less than 50% of each school district's increased State funding from implementation of Level 1 and Level 2 of the formula is to be used to supplement and enhance full-time certificated staff salaries and retirement benefits.

The **net** amount each district **must** distribute is located in **Table 3A, Column 14**. Employer retirement contributions have been accounted for by dividing each district's 50% distribution by 1.155%. The result of this calculation is the number reflected in Table 3A, Column 14.

1. *Distribution of Pay Increase.*

The State Board of Elementary and Secondary Education has taken the position that local school systems will be allowed the flexibility to distribute the pay raise in a manner that is most beneficial to the unique needs of individual school districts. For example, school districts may want to boost pay for beginning teachers, teachers willing to work in low performing schools or teachers in shortage areas. Alternatively, some districts may elect to distribute the pay increase in the same manner the FY 2001-2002 pay increase was distributed. School boards may make decisions that best suit the particular needs of their districts.

2. *Required Timelines for Pay Raise.*

At this time, districts are required to distribute these funds and make the necessary adjustments to the applicable salary schedules for FY 2004-2005. This is a **permanent** pay raise.

C. **Funding for Lab Schools**

1. **Funding Basis**

LSU and SU Lab Schools are funded at the state per pupil amount for Levels 1, 2 and 3 based on their October 1, 2003 MFP membership.

2. **Certificated Pay Raise**

Fifty percent (50%) of increased state funds must be directed to certificated pay raises. Lab Schools are afforded flexibility in the distribution of these funds to certificated staff in a manner that best meets the needs peculiar to each school.

D. **Accountability for School Performance**

SCR 122 provides for a report to be submitted to the Legislature for each school with a school performance score below the state average and annual growth of less than five points. The report is currently being prepared by Department staff and will be submitted to the Legislature on or before April 1, 2005. Copies will be provided each district and will be placed on the Department's website.

Latest Available Data

For purposes of the MFP calculations required by SCR 122, latest available data is identified as follows:

- A. October 1 Membership is per BESE definition and based on the Fall 2003 Student Information System data excluding any school transferred to the Recovery School District.
- B. Weighted membership data is as follows:
 - i. Exceptionalities – LANSER Fall 2003 excluding any school transferred to the Recovery School District.
 - ii. Gifted and Talented – LANSER Fall 2003 excluding any school transferred to the Recovery School District.
 - iii. Vocational Education – Annual School Report Fall 2003 excluding any school transferred to the Recovery School District.
 - iv. At-Risk – Student Information System Fall 2003 excluding any school transferred to the Recovery School District.
 - v. Economy of Scale -- Student Information System Fall 2003 excluding any school transferred to the Recovery School District.
- C. Local School System Revenues and Tax Rates – Annual Financial Report data for Fiscal Year 2002-03.
- D. Net Assessed Property Values – Louisiana Tax Commission December 2002 data.
- E. Foreign Language Associate Teacher – Data from the 2002-03 school year.

F. Accountability Student Transfer - Student Information System Fall 2003
excluding any school transferred to the Recovery School District.

If you have any questions regarding this information, contact Beth Scioneaux, Director, Division of Education Finance, at (225) 342-4989. This information will be posted to the Department of Education website, www.louisianaschools.net. You may also call the Department's toll free number at 1-877-453-2721.

CJP/ML/BS:cs

Attachments

c: SBESE Members
Senator Francis Heitmeier
Senator Gerald J. Chris Ullo
Representative John Alario
Representative Carl Crane
Commissioner Jerry Luke LeBlanc
Local School System Business Managers/Directors of Finance
Carole Wallin, Deputy Superintendent of Education, SDE
Marlyn Langley, Deputy Superintendent for Management and Finance, SDE
Beth Scioneaux, Director, Education Finance, SDE
Kitty Littlejohn, Director, Appropriation Control, SDE
Tommy Smith, Assistant Director of Budget and Planning, LSU
Dr. Ed Green, Director, LSU Lab School
Bob Kuhn, Associate Vice Chancellor, LSU
Brenda Sterling, Director, SU Lab School
Curtis Lee, Director of Foundations, SU
Ron Wascom, LSBA
James Cannon, Budget Office, SU
Veronica Howard, Office of the Governor
George Silbernagel, House Appropriations
Paul Fernandez, Office of Planning and Budget
David Ray, Senate Finance
David Smith, Senate Education
John Rombach, Legislative Fiscal Office